



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1312: LEGAL PROTECTIONS FOR TRANSGENDER INDIVIDUALS

Prime Sponsors:

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Summary Information

Overview. The bill establishes several legal protections for transgender individuals related to public forms, court decisions, and education standards.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Revenue
- State Expenditures
- TABOR Refunds
- Local Government
- Statutory Public Entity
- School Districts

Appropriations. For FY 2025-26, the bill requires an appropriation of \$13.9 million to multiple state agencies. See State Appropriations section.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$1,861,623
State Expenditures	\$14,117,147	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$1,861,623
Change in State FTE	4.6 FTE	0.0 FTE

¹ Fund sources for these impacts are shown in the tables below.

Table 1A
State Revenue

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds	\$0	\$1,861,623
Total Revenue	\$0	\$1,861,623

Table 1B
State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$7,663,618	\$0
Cash Funds	\$3,389,353	\$0
Federal Funds	\$2,982,930	\$0
Centrally Appropriated	\$81,246	\$0
Total Expenditures	\$14,117,147	\$0
Total FTE	4.6 FTE	0.0 FTE

Summary of Legislation

The bill enacts the Kelly Loving Act, which establishes several legal protections for transgender individuals related to public forms, court decisions, and education standards. It also makes publishing materials that deadname or misgender an individual in a place of public accommodation a discriminatory act under the Colorado Anti-Discrimination Act.

Under the bill, deadnaming is defined as referring to an individual by their birth name rather than their chosen name with the intent to disregard their gender identity or gender expression. Misgendering is defined as intentionally referring to an individual using an honorific or pronoun that conflicts with the individual's gender identity or gender expression.

Public Forms

The bill requires public entities to include an option for chosen name, as well as legal name, on all public forms. If an individual provides a chosen name, the entity must use that name on all subsequent forms. However, this requirement does not preclude a public entity from using an individual's legal name when required by law, or when necessary to verify identity.

Court Decisions

When allocating parental responsibilities in a child custody decision, the bill requires courts to consider deadnaming, misgendering, and threatening to publish material related to an individual's gender-affirming health care as forms of coercive control. It also prohibits a court from applying another state's laws that authorize the removal of a child from their parent or guardian because they assisted the child in receiving gender-affirming health care.

Education Standards

If a school district or charter school enacts a policy related to chosen names, the bill requires the local education provider to be inclusive of all reasons that a student might adopt a chosen name that differs from their legal name. Additionally, a school is prohibited from adopting or enforcing a dress code based on gender, and must allow students to abide by any variation of the dress code.

Assumptions

The fiscal note assumes that all public forms and data systems maintained by the state will continue to comply with any applicable federal law and regulations. Because of this, some state agencies may not be able to use an individual's chosen name or fully comply with the bill, which may make the state liable for discrimination in a place of public accommodation.

The fiscal note also assumes that most state agencies can complete programming updates within the first year of the bill's enactment. However, certain projects may require additional time, or only be able to start once other existing projects are complete. Therefore, several state agencies require roll-forward authority to spend money throughout the duration of the system updates.

State Revenue

The bill increases state cash fund revenue to the Department of Regulatory Agencies (DORA) and Department of State (CDOS) by about \$1.8 million in FY 2026-27 only from increased fees on regulated entities to cover administrative program costs. Additionally, it may increase revenue from civil penalties and filing fees. These impacts are discussed below.

Fee Impact on Regulated Entities

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Additional revenue to cover the costs of the bill for certain agencies is expected to be collected in the year after costs are incurred in order to align with fee schedules and account for cumulative impacts of recent legislation. Based on the anticipated expenditures in DORA and CDOS, state revenue from fees in these agencies will increase by about \$40,000 and \$1.8 million, respectively. These fees are subject to TABOR.

Civil Penalties

A person committing discrimination in a place of public accommodation may be subject to a civil penalty of up to \$3,500 for each violation, with additional penalties imposed for subsequent violations of a court order or injunction. This revenue is classified as a damage award and not subject to TABOR. Given the uncertainty about the number of cases that may be pursued by the Attorney General and district attorneys, as well as the wide range in potential penalty amounts, the fiscal note cannot estimate the potential impact of these civil penalties.

Filing Fees

The bill may increase revenue to the Judicial Department from an increase in civil case filings. Revenue from filing fees is subject to TABOR.

State Expenditures

In FY 2025-26 only, the bill increases state expenditures across several departments by \$14.1 million to update all public forms and databases with an option for “chosen name” and ensure that existing systems coordinate to include chosen name on all subsequent forms. These costs are paid primarily from the General Fund, as well as various cash funds.

The bill also creates potential expenditures in the Department of Personnel and Administration (DPA) and increases workload for multiple other state agencies related to discrimination lawsuits, court decisions, and education standards, as described below.

Public Forms

Expenditures will increase in the state agencies identified in Table 2 by \$14.1 million in FY 2025-26 only, driven primarily by programming costs.

Several departments will use the Office of Information Technology (OIT) to implement programming changes, some will use contract vendors or in-house staff, and others will use both. Amounts that will be reappropriated to OIT or expended directly by the department are shown in Table 2A.

Table 2
State Expenditures
FY 2025-26

Department	Programming Costs	Staff Costs¹	Total Expenditures	Total FTE
Agriculture	\$516,000	\$19,823	\$535,823	0.2 FTE
Early Childhood	\$1,751,414	\$0	\$1,751,414	0.0 FTE
Health Care Policy and Financing	\$3,109,675	\$214,126	\$3,323,801	2.0 FTE
Human Services	\$260,958	\$0	\$260,958	0.0 FTE
Labor and Employment	\$2,586,450	\$0	\$2,586,450	0.0 FTE
Law	\$0	\$60,183	\$60,183	0.3 FTE
Local Affairs	\$154,419	\$0	\$154,419	0.0 FTE
Military and Veterans Affairs	\$500,000	\$95,271	\$595,271	1.0 FTE
Natural Resources	\$104,000	\$0	\$104,000	0.0 FTE
Public Health and Environment	\$509,349	\$8,035	\$517,384	0.1 FTE
Regulatory Agencies	\$115,465	\$0	\$115,465	0.0 FTE
Revenue ²	\$2,290,356	\$0	\$2,290,356	0.0 FTE
State	\$1,746,568	\$75,055	\$1,821,623	1.0 FTE
Total	\$13,644,654	\$472,493	\$14,117,147	4.6 FTE

¹ Centrally appropriated costs are included in staff cost estimates.

² DOR costs do not include DRIVES redundancies and penalties that result from the timing of the bill and the DOR's current system upgrade. See Technical Note.

Table 2A
Programming Costs
FY 2025-26

Department	Reappropriated to OIT	Internal or Contract Vendor
Agriculture	\$516,000	\$0
Early Childhood	\$0	\$1,751,414
Health Care Policy and Financing	\$0	\$3,109,675
Human Services	\$260,958	\$0
Labor and Employment	\$588,000	\$1,998,450
Local Affairs	\$154,419	\$0
Military and Veterans Affairs	\$0	\$500,000
Natural Resources	\$0	\$104,000
Public Health and Environment	\$34,816	\$474,533
Regulatory Agencies	\$75,465	\$40,000
Revenue	\$92,466	\$2,197,890
State	\$0	\$1,746,568
Total	\$1,722,124	\$11,922,530

Department of Agriculture

In FY 2025-26 only, expenditures in the Department of Agriculture will increase by about \$536,000 and 0.2 FTE Marketing and Communications Specialist IV to update licensing, grant, disease traceability, registry, complaint, and compliance forms and databases. Of this amount, \$20,000 is for the one-time FTE to coordinate department-wide updates and \$516,000 is reappropriated to the Office of Information Technology (OIT) to perform changes to software databases and websites include Salesforce and Access.gov. These costs are paid from the General Fund.

Department of Early Childhood

In FY 2025-26 only, expenditures in the Department of Early Childhood will increase by about \$1.8 million to update redetermination forms, create new fields, and integrate chosen names in the Child Care Automated Tracking System, the Attendance Tracking System, the Colorado Benefits Management System, the Automated Child Support Enforcement System, and applications in the Colorado Universal Preschool Program and Division of Early Childhood Workforce. This work is performed through a contract vendor and paid from the General Fund.

Department of Health Care Policy and Financing

From FY 2025-26 through FY 2027-28, expenditures in the Department of Health Care Policy and Financing (HCPF) will increase by about \$3.3 million and 2.0 FTE to contract with system vendors and administer the project. Of this amount, \$214,000 is for one-time staff to manage the provider and member interface changes, update internal forms and applications, test system changes, and coordinate with multiple systems and stakeholders. The remaining \$3.1 million are vendor fees to add new fields and incorporate name information across the Colorado Benefits Management System (CBMS), the Medicaid Management Information System, and the Care and Case Management System. About \$80,000 is reappropriated to the Department of Human Services (CDHS) because the CBMS is a shared data management tool. These total expenditures, paid from the General Fund, cash funds, and federal funds, are expected to begin in FY 2025-26 and spent through FY 2027-28; therefore, roll-forward spending authority is required.

Department of Human Services

In FY 2025-26 only, expenditures in the CDHS will increase by about \$261,000 to update name fields and integrate the Automated Child Support Enforcement System (ACSES) and document generation applications. These work is implemented by OIT and paid from the General Fund and federal funds. The department will also update the CBMS with funds reappropriated from HCPF, as identified in the section above.

Department of Labor and Employment

In FY 2025-26 only, expenditures in the Department of Labor and Employment will increase by about \$2.6 million to update public forms and various applications related to unemployment insurance benefits, the FAMLI Program, worker's compensation claims, CORA requests, and apprenticeships, among others, and to program these systems to interface with one another. Workload will also increase to verify changes with corresponding federal agencies. This work is implemented by the CDLE and OIT and paid from the General Fund.

Department of Law

In FY 2025-26 only, expenditures in the Department of Law will increase by \$60,000 and 0.3 FTE to provide 450 hours of legal services to the Departments of Corrections, Labor and Employment, Public Safety, and Revenue related to reporting and recordkeeping requirements that comply with the bill. These expenditures are paid from the General Fund.

Department of Local Affairs

In FY 2025-26 only, expenditures in the Department of Local Affairs will increase by about \$154,000 to update forms and systems related to property tax exemptions, senior and veteran exemptions, abatements, and education programs in the Division of Property Taxation, and five additional databases in the Division of Local Government. This work is implemented by OIT and paid from the General Fund.

Department of Military and Veterans Affairs

In FY 2025-26 only, expenditures in the Department of Military and Veterans Affairs will increase by about \$595,000 and 1.0 FTE for a Data Management III to update forms and data systems related to defense enrollment eligibility reporting, military identification, and family relief funding. This work is performed through a contract vendor and paid from the General Fund. System updates are expected to begin in FY 2025-26 and end in FY 2026-27; therefore, roll-forward spending authority is required.

Department of Natural Resources

In FY 2025-26 only, expenditures in the Department of Natural Resources will increase by about \$104,000 to update forms and databases in the Division of Reclamation, Mining, and Safety related to mineral and coal permits, mine safety training and certifications, program applications, and complaints. This work is performed through a contract vendor and paid from the Severance Tax Operational Fund.

Department of Public Health and Environment

In FY 2025-26 only, expenditures in the CDPHE will increase by about \$517,000 and 0.1 FTE for a Technician IV to modify data collected by the Vital Records Office, add new fields to the Colorado Immunization Information System, and update health care facility and emergency management service licensing and certification applications and forms. Of this amount, \$8,000 is for one-time FTE to update paper forms, \$474,000 is for contract vendors, and \$35,000 is reappropriated to OIT to perform certain changes. These costs are paid from the General Fund, the General Licensure Cash Fund, the Assisted Living Resident Cash Fund, and the Home Care Agency Cash Fund.

Department of Regulatory Agencies

In FY 2025-26 only, expenditures in DORA will increase by about \$115,000 to modify occupational licensing systems in the Division of Professions and Occupations (DPO) and update forms and databases for the Public Utilities Commission (PUC). Of this amount, \$40,000 is paid from the DPO Cash Fund and performed by a contract vendor. The remaining \$75,000 is paid from the Motor Carrier Cash Fund and reappropriated to OIT for changes within the PUC.

Department of Revenue

In FY 2025-26 only, expenditures in the Department of Revenue will increase by about \$2.3 million to update tax forms in the GenTax system, motor vehicle records in the DRIVES system, marijuana and natural medicine licensing and application systems, and coordinate with the DPA's tax document solutions group. Of this amount, about \$709,000 is paid from the General Fund and reappropriated to the DPA and \$92,000 is paid from the DRIVES Cash Fund and performed by OIT. The remaining \$2.1 million is paid from the General Fund, DRIVES Cash Fund, Marijuana Cash Fund, and Natural Medicine Cash Fund, and performed by contract vendors.

Department of State

In FY 2025-26 only, expenditures in the CDOS will increase by about \$1.8 million and 1.0 FTE for a Technician I to modify campaign finance forms in the TRACER system, Medicare provider payment data in the MIPS system, and databases related to business regulation, charity registration, ballot access, petitions, and voter registration, among others. Of this amount, \$75,000 is for one-time FTE to assist with rulemaking, coordinating with stakeholders, and updating physical forms. The remaining \$1.7 million is for contract vendors and internal programming staff to complete the updates. This work is paid from the CDOS Cash Fund and is expected to begin in FY 2025-26 and end in FY 2026-27; therefore, roll-forward spending authority is required.

Institutions of Higher Education

The bill increases expenditures for the institutions of higher education to update forms in alignment with the bill's requirements. Costs are expected to vary significantly between institutions, ranging from minimal workload for institutions that already comply with the required changes, to up to \$674,000 for computer programming. The fiscal note assumes that institutions will cover the additional costs through institutional revenues, and will be updated if more information becomes available.

Minimal Agency Impacts

Workload in the Departments of Corrections, Education, Higher Education, Public Safety, Transportation, Treasury, the Judicial Department, and the Legislative Department will minimally increase to update public forms and databases. The number of forms in these departments is expected to be minimal or already in compliance with the bill; therefore, workload can be accomplished within existing appropriations.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are included in the staff costs shown in Table 2 above.

Discrimination

State Litigation and Risk Impacts

The bill may increase litigation and risk management costs from public accommodations discrimination lawsuits filed against the state. If such cases occur, state agencies and institutions of higher education will have increased costs for legal services, provided by the Department of Law. Depending on the outcome of any cases, settlement or liability payments may be required from the Risk Management Fund in the DPA. State agencies make payments for legal services and risk management through common policy billings based on costs incurred in prior years.

The fiscal note assumes that aggrieved parties will seek recourse through state agencies' dispute resolution processes or administrative relief through the Colorado Civil Rights Division (CCRD) in DORA before filing suit against the state. Any new costs, if incurred, will be accounted for through the annual budget process.

Complaints

The CCRD in DORA and trial courts in the Judicial Department may experience an increase in workload if additional discrimination complaints are filed or civil cases filed. This workload is expected to be minimal and no change in appropriations is required.

Court Decisions

Workload in the Judicial Department may minimally increase from more complex domestic relations case decisions that must consider deadnaming and misgendering as a form of coercive control. Workload may minimally decrease from fewer out-of-state foreign judgements related to gender-affirming care. This workload is expected to be minimal and no change in appropriations is required.

Education Standards

Workload in the Department of Education (CDE) will minimally increase to modify rules and coordinate with school districts regarding chosen name and dress code policies. This workload can be accomplished within existing appropriations.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers in FY 2026-27, as discussed in the State Revenue section above. This estimate assumes the March 2025 LCS revenue forecast. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Local Government and Statutory Public Entity

In FY 2025-26 only, expenditures for local governments and statutory public entities will increase to update forms and databases to include a chosen name field and ensure that all subsequent correspondence complies with the bill's provisions. Due to the wide array of public agencies, forms, and systems at the local level and among statutory public entities, the bill cannot estimate costs. However, it is assumed that expenditures are substantial and similar to state agencies.

School Districts

In addition to any system related costs (described in Local Government section above), workload for school districts will minimally increase beginning in FY 2025-26 to modify current chosen name and dress code policies, enforce new policies, and coordinate with the CDE. This workload is expected to be minimal.

Technical Note

Effective Date and Applicability

The bill requires state agencies to include a field for chosen name on all public forms and use that name in subsequent communications beginning on the bill's effective date. However, the extensive system upgrades required to comply with the bill are expected to take between one and three years to complete depending on the agency. Therefore, all state agencies will be out of compliance with the bill, increasing state risk and liability from discrimination lawsuits.

DRIVES Upgrade

Additionally, the Driver License, Record, Identification and Vehicle Enterprise Solution (DRIVES) information technology system requires an extensive 18-month upgrade, which is scheduled to take place until March 31, 2026. As a result, the DOR has requested that any new legislation requiring DRIVES programming have an effective date of July 1, 2027, with roll-forward spending authority through FY 2028-29, noting that any programming occurring now will take place twice – in the existing and new system. Additionally, any change to the project timeline will require the vendor to retain additional personnel beyond the current agreement, with the DOR responsible for these additional costs. For each month the upgrade is delayed, the vendor will charge the DOR an additional \$200,000. The department estimates that this bill will delay the project by 36 months, resulting in an additional cost of \$7.2 million. However, the fiscal note assumes that the effective date will be extended to allow for one-time DRIVES programming during the planned FY 2026-27 update. If the bill is not amended, expenditures in the DOR will increase by an additional \$8.3 million beginning in FY 2025-26.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

General Fund Appropriations

For FY 2025-26, the bill requires the following General Fund appropriations:

- \$531,863 to the Department of Agriculture, and 0.2 FTE;
- \$1,751,414 to the Department of Early Childhood;
- \$226,332 to the Department of Health Care Policy and Financing with roll-forward spending authority through FY 2027-28, and 2.0 FTE;
- \$88,726 to the Department of Human Services;
- \$2,586,450 to the Department of Labor and Employment
- \$60,183 to the Department of Law, and 0.3 FTE;
- \$154,419 to the Department of Local Affairs;
- \$576,476 to the Department of Military and Veterans Affairs with roll-forward spending authority through FY 2026-27, and 1.0 FTE;
- \$478,928 to the Department of Public Health and Environment, and 0.1 FTE; and
- \$1,119,742 to the Department of Revenue.

Cash Fund Appropriations

For FY 2025-26, the bill requires the following cash fund appropriations:

- \$159,909 from the Health Affordability and Sustainability Cash Fund to the Department of Health Care Policy and Financing with roll-forward spending authority through FY 2027-28;
- \$104,000 from the Severance Tax Operational Fund to the Department of Natural Resources;
- \$34,304 from the Health Facilities General Licensure Fund to the Department of Public Health and Environment;
- \$256 from the Assisted Living Residence Cash Fund to the Department of Public Health and Environment;
- \$256 from the Home Care Agency Cash Fund to the Department of Public Health and Environment;
- \$40,000 from the Division of Professions and Occupations Cash Fund to the Department of Regulatory Agencies;
- \$75,465 from the Public Utilities Commission Motor Carrier Fund to the Department of Regulatory Agencies;
- \$1,168,614 from the Colorado DRIVES Fund to the Department of Revenue;
- \$1,000 from the Marijuana Cash Fund to the Department of Revenue;

- \$1,000 from the Natural Medicine Facilitator Cash Fund to the Department of Revenue; and
- \$1,804,549 from the Department of State Cash Fund to the Department of State with roll-forward spending authority through FY 2026-27.

Federal Fund Appropriations

For FY 2025-26, the bill requires the following federal fund appropriations:

- \$2,723,434 to the Department of Health Care Policy and Financing with roll-forward spending authority through FY 2027-28; and
- \$172,232 to the Department of Human Services.

Reappropriations to the Office of Information Technology

For FY 2025-26, the bill requires the following reappropriations to the Office of Information Technology:

- \$516,000 from the Department of Agriculture;
- \$260,958 from the Department of Human Services;
- \$588,000 from the Department of Labor and Employment;
- \$154,419 from the Department of Local Affairs;
- \$34,816 from the Department of Public Health and Environment;
- \$75,465 from the Department of Regulatory Agencies; and
- \$92,466 from the Department of Revenue.

Other Reappropriations

For FY 2025-26, the bill requires the following reappropriations:

- \$80,261 from the Department of Health Care Policy and Financing to the Department of Human Services; and
- \$709,123 from the Department of Revenue to the Department of Personnel and Administration.

State and Local Government Contacts

All State Agencies

All Local/Non-state Agencies